



COMMUNITY LEGAL SERVICES
OF PHILADELPHIA

July 24, 2018

Via email and first class mail
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Re: Pennsylvania Public Utility Commission v. PECO Energy Company
Docket No. R-2018-3000164

Dear Counsel:

Enclosed please find the Rebuttal Testimony of Harry S. Geller on behalf of Tenant Union Representative Network and Action Alliance of Senior Citizens of Greater Philadelphia (TURN *et al.*), in the above-referenced proceeding.

Copies have been served as indicated on the Certificate of Service.

Respectfully Submitted,

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Enclosure

Cc: Secretary Rosemary Chiavetta (Cover Letter and COS only)
Administrative Law Judge Christopher P. Pell
Administrative Law Judge F. Joseph Brady
Certificate of Service

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

PECO Energy Company - :
General Base Rate Filing for :
Electric Operations : **Docket No. R-2018-3000164**
:

Certificate of Service

I hereby certify that I have this day served copies of the **Rebuttal Testimony of TURN et al.**, upon the parties of record in the above captioned proceeding in accordance with the requirements of 52 Pa. Code § 1.54 in the manner and upon the persons listed below.

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July 24, 2018

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2018-3000164
	:	
PECO Energy Company –	:	
Electric Division	:	

REBUTTAL TESTIMONY OF HARRY S. GELLER

ON BEHALF OF

THE TENANT UNION REPRESENTATIVE NETWORK AND
ACTION ALLIANCE OF SENIOR CITIZENS OF GREATER PHILADELPHIA

July 24, 2018

1 **PREPARED REBUTTAL TESTIMONY OF HARRY GELLER**

2 **Background**

3 **Q. Please state your name, occupation and business address.**

4 A. My name is Harry Geller. I am an attorney. I am currently retired as a staff member of the
5 Pennsylvania Utility Law Project (PULP), but continue to maintain an office at 118 Locust
6 St., Harrisburg, PA 17101. I now serve as Senior Counsel to the Pennsylvania Utility Law
7 Project (PULP) and as a consultant to legal aid programs and their clients.

8 **Q. Have you previously submitted testimony in this proceeding?**

9 A. I previously submitted direct testimony on behalf of Tenant Union Representative Network
10 and Action Alliance of Senior Citizens of Greater Philadelphia (collectively “TURN *et*
11 *al.*”) on June 26, 2018.

12 **Q. What is the purpose of your testimony at this time?**

13 A. I am submitting Rebuttal Testimony on behalf of TURN *et al.* in response to the Direct
14 Testimony of Mitchell Miller on behalf of the Coalition for Affordable Utility Services
15 and Energy Efficiency in Pennsylvania (CAUSE-PA) and the Direct Testimony of Roger
16 Colton on behalf of the Office of Consumer Advocate (OCA). Although we generally
17 agree on the conclusions to be reached, Mr. Miller and Mr. Colton each present
18 additional recommendations that I had not presented in my direct testimony. I discuss and
19 support several of these proposals made by Mr. Miller and Mr. Colton.

20 **Q. What aspects of Mr. Miller and Mr. Colton’s testimonies do you wish to address?**

21 A. Both Mr. Miller and Mr. Colton oppose PECO’s proposal to place the entirety of its rate
22 increase into the fixed charge. CAUSE-PA St. 1 at 15; OCA St. 4 at 5-6. Mr. Miller
23 suggests that any approved increase to residential customer rates be recovered

1 exclusively through the volumetric charge, as adding additional costs to the fixed
2 customer charge “will have a disproportionate impact on low-income, low use
3 households, and works to undermine energy efficiency efforts.” CAUSE-PA St. 1 at 15.
4 Similarly, Mr. Colton notes that increasing the fixed charge would both reduce the
5 buying power of LIHEAP for PECO Electric’s customers and disproportionately increase
6 bills to low-income customers not on CAP. OCA St. 4 at 6.

7 In his testimony, Mr. Colton also identifies concerns regarding how PECO identifies
8 “confirmed low income” customers and makes several suggestions to bolster the number
9 of customers that are identified and confirmed as low-income for the purposes of the
10 winter termination protections. These suggestions include adopting tariff provisions
11 incorporating the regulatory definition of “confirmed low-income customer”, revising
12 PECO’s processes and procedures to conform to that definition, and providing greater
13 flexibility in the documentation accepted to establish income eligibility and how such
14 income is verified.¹ OCA St. 4 at 4-5.

15 Mr. Miller identifies concerns with PECO’s CAP enrollment numbers, and makes several
16 suggestions that would improve CAP enrollment and retention, including screening for
17 CAP eligibility during all credit related calls and actively recruiting customers with
18 existing debt to enroll in CAP – as well as requiring outbound calls for recertification and
19 improving publicity for CAP programs. CAUSE-PA St. 1 at 29. Mr. Miller also proposes
20 that PECO implement a process by which CAP customers can request and receive an

¹ These recommendations included: accepting income verification from Community Based Organizations (CBOs), not simply from government agencies; allowing any customer identified as “confirmed low-income” in the Company’s records or having established eligibility for cold weather protections in the 12 months preceding the start of the cold weather season to access the winter termination protections without recertifying or reverifying their income; and providing that income eligibility for the cold weather protections may be established using 30-day annualized income rather than being based solely on an annual income. OCA St. 4 at 4-5.

1 exemption to the maximum CAP credit in certain circumstances. CAUSE-PA St. 1 at 20-
2 21.

3 Mr. Miller and Mr. Colton also suggest improvements to PECO's Low Income Usage
4 Reduction Program (LIURP). Mr. Miller suggests lowering the required average monthly
5 usage to 500kWh for all confirmed low-income customers. CAUSE-PA St. 1 at 27. Mr.
6 Colton suggests targeting high-use, high CAP Credit customers for LIURP treatment.
7 OCA St. 4 at 5.

8 **Q. Turning first to PECO's proposed increase to its fixed charge, do you agree with**
9 **Mr. Miller and Mr. Colton that any increase to the fixed charge would**
10 **disproportionately harm low-income and low-use customers?**

11 **A.** Yes. As I noted in my direct testimony, the allocation of the rate increase to the fixed
12 charge is a significant concern, as it limits the ability of customers to reduce their usage
13 to mitigate the impact of the rate increase. TURN *et al.* St. 1 at 11. I agree with both Mr.
14 Miller and Mr. Colton that the increase to the fixed charge will disproportionately harm
15 low-income, low use customers. In addition, Mr. Colton makes a good point when
16 discussing how an increase to the customer charge will reduce the buying power and
17 impact of the Low Income Home Energy Assistance Program (LIHEAP) for PECO
18 Electric's customers. OCA St. 4 at 7-10. In my experience, LIHEAP grants are critical
19 for low-income customers to ensure their homes are heated in the winter. Any rate
20 increase, but particularly a rate increase that cannot be mitigated by changes in usage
21 patterns, will dilute LIHEAP's effectiveness and negatively impact low-income
22 customers. I therefore agree and concur with his argument.

1 **Q. Do you agree with Mr. Miller’s assessment that PECO must work to improve CAP**
2 **outreach and enrollment?**

3 A. Yes. As I discussed in my direct testimony, low-income households not enrolled in CAP
4 will see a direct and unmitigated financial impact from the rate increase – and as such,
5 enrollment and retention in CAP must be improved. As Mr. Miller notes, “to the extent
6 any rate increase is approved, changes to PECO’s universal service programs must be
7 made to ensure that universal service programming is sufficiently robust to handle
8 increased need...” CAUSE-PA St. 1 at 19-20.

9 **Q. Have you reviewed Mr. Miller’s proposal regarding Maximum CAP Credit**
10 **exemptions?**

11 A. Yes. I believe Mr. Miller makes an important point regarding those CAP customers who
12 are already receiving the maximum CAP credits – approximately 7,000 households.
13 CAUSE-PA St. 1 at 21. Some of these households have reached those maximums for
14 reasons that are in some way out of their control, and should have the opportunity to raise
15 those issues with PECO and obtain a higher credit. The exemptions which the
16 Commission establishes in its CAP Policy Guidelines at 52 Pa. Code § 69.265(3)(vi),
17 which Mr. Miller enumerates, are intended to address exactly such situations which are
18 beyond the control of the CAP participant. See CAUSE-PA St. 1 at 20. My experience
19 has demonstrated to me that there are CAP customers, who through no fault of their own,
20 are exceeding the maximum CAP credit limit and are forced to pay full tariff rates for this
21 additional usage. If there are presently approximately 7,000 households who are outside
22 of the PECO CAP maximum CAP credit limits, it is entirely reasonable to expect that a
23 subset of this number, as a result of paying full tariff rates, are carrying excessive energy

1 burdens and would require the protections afforded by these exemptions. PECO should
2 therefore accept the CAP Guideline Control Feature Exemptions which would provide
3 essential relief to those households which, through no fault of their own, have usage
4 which exceeds the maximum CAP Credit amount.

5 **Q. Are Mr. Colton's concerns regarding confirmation of low-income customers valid?**

6
7 A. Yes. Expanding confirmation of low-income customers ensures that those customers
8 receive the protections they are entitled to, including the winter moratorium on shutoffs
9 for households under 250% of the Federal Poverty Level. The winter moratorium protects
10 vulnerable households from losing their heat in the winter or using unsafe heating
11 sources. Because the winter moratorium provides such critical protections, it is important
12 that these protections are available and easy to access, particularly in light of declining
13 CAP enrollment and an increase in unaffordable bills.

14 **Q. Regarding LIURP, can you summarize the program changes suggested by Mr.
15 Miller and Mr. Colton?**

16 A. Mr. Miller and Mr. Colton both suggest changes to how PECO targets its LIURP
17 customers. Mr. Miller suggests lowering the required average monthly usage to 500kWh
18 for all confirmed low-income customers. CAUSE-PA St. 1 at 27. Mr. Colton suggests
19 targeting high-use, high CAP Credit customers for LIURP treatment. OCA St. 4 at 5.

20 **Q. Do you support either of these program changes?**

21 A. Yes. I believe both program changes could be compatible with each other. One would
22 expand eligibility, while the other would target a particular subset. Each would improve
23 PECO's LIURP. As I noted in my direct testimony, PECO's LIURP is not adequately
24 addressing the need for LIURP services in PECO's service territory. See TURN *et al.* St.
25 1 at 18-20. As such, I proposed an increase in funding to meet the demonstrated need and

1 an increase proportional to any approved rate increase. Id. at 20. Both Mr. Miller's
2 proposal to expand eligibility to include all income-eligible customers that have usage of
3 500 kWh or above and Mr. Colton's proposal to target high-users on CAP would improve
4 the ability of the LIURP program to meet the needs of the low-income PECO customers
5 most impacted by the rate increase.

6 Mr. Miller's proposal would allow additional households to access LIURP services,
7 regardless of whether they are CAP enrolled. As noted above, it is those customers who
8 will bear the brunt of the proposed rate increase as proposed – with an increase only in
9 the fixed charge. See CAUSE-PA St. 1 at 27. It is appropriate to allow those customers to
10 access the services that may help them mitigate their electricity costs.

11 Similarly, I support Mr. Colton's proposal to target high usage CAP customers for
12 LIURP, see OCA St. 4 at 37-38, – in particular I would slightly modify Mr. Colton's
13 proposal by suggesting that PECO target those who are already receiving the maximum
14 CAP credit. LIURP services will help these households address their high usage and
15 move closer to an affordable bill. Furthermore, although Mr. Colton suggests that his
16 targeting recommendation would not require additional LIURP funds to implement, this
17 in no way incompatible with my direct testimony regarding the need to improve the
18 functioning of LIURP through the provision of the additional funding I recommend.

19 **Q. Does this conclude your testimony?**

20 A. Yes.